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PEOPLE'S BANK AIDS PRIVATE BANKS, EXPORTERS

SETS UP REGULATIONS TO AID PRIVATE BANKS -- Shanghai Ta Kung Pao, 4 May 50

Private banks in Shanghai have been suffering a severe depression due to the blockade and bombings by the KMT. The People's Bank has rendered various kinds of aid from time to time, nevertheless, some tens of banks have closed their doors.

In a further attempt to render aid, the People's Bank has determined the measures to be followed by the various private banks. They are:

1. Interest rates of the People's Bank on fixed deposits of banks will be raised by 15 percent of the present rates.
2. Interest on reserves for deposits will be computed on the average of 30-day fixed deposits.
3. Interest on other types of interbank current deposits will be computed on the basis of average current account interest.
4. Both fixed and current deposits may be used as reserves for current payments in interbank business.
5. Discounts on interbank mortgage transfers, joint loans, cotton loans, and fixed deposits will temporarily be handled as heretofore.
6. The loan fund of the provisional discount loan committee of the clearing house shall be limited to the amount recognized by the banking fraternity.

HANGCHOW PEOPLE'S BANK STRESSES CURRENCY CONTROL -- Hangchow Chekiang Jih-pao,  
4 May 50

The Hangchow branch of the People's Bank has strongly emphasized its responsibility in carrying out the government's plan for the centralization of currency control in the local area. To date, 347 disbursing organizations

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have established connections with the bank. The cashier's department has greatly expanded its work. Working hours have been extended to 1700 hours to accommodate the organizations needing to bring in their daily receipts. The bank authorities recently called a meeting attended by 226 representatives of the treasurers of 169 organizations. The vice-president of the bank set before them the purposes of the government in the new regulations and their responsibilities.

**NING-PO PEOPLE'S BANK TO SET UP BUSINESS DEPARTMENT -- Ning-po Jen-pao, 4 May 50**

To assist in carrying out the currency control plans of the Central government and to promote all lines of business, the Ning-po branch of the People's Bank has received permission to establish a separate business department, which will open 8 May 1950 in the former quarters of the Bank of Communications. The new organization will handle deposits, loans, remittances, savings, etc. All unfinished business of the Bank of Communications will be taken over by the new department of the People's Bank.

**BANK OF CHINA TO AID EXPORTERS -- Shanghai Ta Kung Pao, 4 May 50**

The Bank of China has entered into a contract with the East China District Branch of the People's Bank. According to the terms of this contract, local branches of the People's Bank in areas producing export goods will honor orders of the Bank of China to advance funds to local representatives of export firms. This will enable them to buy goods locally. The move is also designed to promote economic intercourse between rural and urban areas.

To secure the advantage of this service, the export firm should place on deposit with the Bank of China cash or goods to the amount of 20 to 40 percent of the loan desired as a guarantee fund and also secure a guarantor acceptable to the bank. The firm may then supply its local agent with the necessary evidence to present to the local branch of the People's Bank or the Bank of China, which will issue funds for local purchases of export goods. The loan period may not exceed 45 days, the actual time depending upon the distance the goods are transported. Interest on such guaranteed deposit loans will temporarily be 70 percent of the bank's posted interest rate.

**LOWERS INTEREST RATES ON BANK LOANS -- Shanghai Ta Kung Pao, 3 May 50**

Shanghai -- On 2 May 1950, the Interest Rate Committee of the banks of this city announced that the official monthly interest rate on commercial loans is 7.8 percent, a reduction from 8.4 percent. The monthly interest rate on loans to other banks is 4.2 percent, reduced from 4.5 percent.

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